NGVAMERICA
Natural Gas Vehicles for America

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March 15, 2023

Liane M. Randolph, Chair
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95814

RE: NGVAmerica Comments on the CA Low Carbon Fuel Standard Proposed Changes

Chair Randolph:

Natural Gas Vehicles for America (NGVAmerica) is the national trade association dedicated to the decarbonization of the transportation sector through the increased use of gaseous fuels including renewable natural gas, conventional natural gas, hydrogen-blended gas, and hydrogen. Our member companies produce, distribute, and market natural gas and renewable natural gas (RNG, also called biomethane), manufacture and service natural gas vehicles (NGVs), engines, and equipment, and operate fleets powered by clean-burning gaseous fuels across North America.

NGVAmerica respectfully submits the following comments on the proposed changes to the California Low Carbon Fuel Standard (LCFS) program and in support of the objective, to continue to incentivize the lowest carbon fuels available to the transportation market. The changes proposed by the California Air Resources Board (CARB), specifically the move to reduce the use of RNG as a vehicle fuel, would not grow the program and could offset overall emission reductions if California no longer continues its practice of rewarding those fuels and technologies that provide the greatest emission reductions.

NGVAmerica and its members recognize that decarbonization efforts and cleaner air will only be achieved by focusing on a multi-technology approach that includes promoting the use of readily available, cost-effective low-carbon and carbon-negative solutions. Today, trucks, buses and other vehicles powered by RNG are delivering steep reductions in greenhouse gas emissions as has been shown in the emissions reductions California through its LCFS program. We continue to be greatly concerned by statements by staff that RNG would be better off used in other sectors, and by the insistence that electrification is the only solution for transportation. It continues to be the case that electrification will be extremely challenging to implement for portions of the heavy-duty on-road market, and fleets operating heavy-duty vehicles continue to need natural gas as an option for reducing emissions. We therefore urge the Board to retain the inclusion of RNG as a transportation option in the LCFS program and other regulatory programs.

Many fleets are successfully using natural gas in the transit bus, shuttle bus, refuse truck and freight goods trucking (short- and long-haul) markets. Natural gas vehicle technology, aided by investments by the U.S. Department of Energy, the California Energy Commission, California's South Coast Air Quality Management District, and industry, continues to improve and achieve new milestones. Today, virtually all new medium- and heavy-duty natural gas engines are now certified to the ultra-low NOx

level of 0.02 g/bhp-hr. That means that today's natural gas transit buses, refuse trucks, and other vehicles produce 90 percent less NOx pollution than currently allowed under U.S. EPA standards, and will continue to outperform EPA standards even when the new 0.035 g/bhp-hr NOx rules go into effect in 2027.

Other developments including the introduction of a 15-liter engine by Cummins, the introduction of hybrid natural gas trucks, and continued interest in off-road applications such as mining, marine and rail gives further evidence of the opportunity to expand the market for natural gas and impact emission reductions in the transportation sector. Additionally, global manufacturers are considering introducing natural gas products sold elsewhere into the North American market. The penetration of the Class 8 market will have an immediate impact on fuel consumption because these trucks regularly consume from 7,000 – 10,000 or more gallons per year. Therefore, even a small penetration of this market in future years could increase RNG use by hundreds of millions of gallons.

Based on data available from 2021, NGVAmerica and the Coalition for Renewable Natural Gas estimate that domestically produced, low-carbon, renewable natural gas now accounts for 64 percent of natural gas used in on-road transportation across the country (98% in CA).[1] This important milestone is made possible by the U.S. EPA's implementation of the Renewable Fuel Standard and its strong signal regarding future growth of RNG supplies. This milestone also points out that there is sufficient demand for the natural gas on-road market to use additional supplies of RNG.

NGVAmerica strongly endorses the use of all low carbon renewable fuels now while zero emission vehicles (ZEV) are being developed. California should not wait for zero emission platforms to be commercialized before taking strong action to lower emissions. It is important that California continue to show leadership in encouraging a variety of solutions and low-carbon strategies as well as recognize that some applications might never be a good fit for electrification. To date, CARB has shown that it understands that to promote a cleaner environment effectively and quickly, RNG is an essential component of the LCFS program, and NGVAmerica appreciates CARB leadership in this.

Amazon has ordered thousands of Classes 6 through 8 trucks, choosing low NOx vehicles because it would not buy diesel trucks and could not buy electric trucks now or in a reasonable timeframe. UPS, WM, Republic Services, Fort Collins Transport buses, Denver International Airport buses and ground equipment, Los Angeles World Airport buses, City of Los Angeles, City of Fresno Transit, Los Angeles County Metro Transit Authority, and many other fleets have chosen to continue to deploy low NOx natural gas trucks and buses as the viable – and in some cases – the only available non-diesel heavy-duty truck option for their operations.

Investments in RNG-fueled trucks and transit buses accessing ports, cities, and densely populated neighborhoods are the most immediate and fiscally responsible investment to clean our air and combat climate change. Communities get more clean vehicles having greater clean air and climate impact for the money with RNG than with any other alternative fuel option, including electric. No other transportation fuel is as sustainable, adaptive, and competitive across all applications and vehicle classes. And heavy-duty low-NOx trucks are not demonstration projects; they are proven, scalable and on U.S. roads today. Current emission reduction goals will not be met without using RNG.

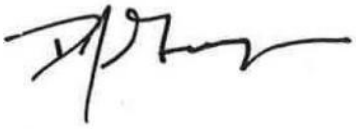
[1] https://ngvamerica.org/wp-content/uploads/2022/05/NGV-RNG-Decarbonize-2022-5.2.22.pdf

Fueling with RNG also creates new economic development for energy created from wastewater treatment plants, landfills, animal waste and other methane sources and significantly increases air quality by reducing the amount of methane released. California has been the leader in encouraging the tremendous growth in the production of renewable natural gas for the transportation sector. It has invested hundreds of millions of dollars to encourage and incentivize in-state production, but the benefit of its leadership can be felt far beyond its borders.

NGVAmerica strongly believes that RNG-operated low NOx vehicles must be a key component in the CARB LCFS program if impactful emissions reductions are the real goal and are to occur in any reasonable timeframe. We recommend that CARB does not change the LCFS program to diminish the roll of RNG vehicles, thereby allowing the current performance based assessment of fuels in the LCFS to be maintained to encourage and incentivize vehicles that operate on low and carbon negative fuels. This will also provide market certainty to those engaged in or planning avoided methane and RNG production projects. Statutory requirements are pressing on California and CARB needs solutions that work now to decarbonize and clean California's environment. Therefore, we request that RNG-operated low NOx trucks be prominent in CARB's strategies as an immediate pathway to a zero emission future.

Thank you for your consideration, and please contact me or Sherrie Merrow at smerrow@ngvamerica.org or 303.883.5121 with any comments or questions.

Sincerely,



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